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By electronic filing and by e-mail

October 28, 2010

Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street
27th floor
Toronto, ON M4P 1E4

Dear Ms. Walli,

Union Gas Limited 2011 Rates Application

Board File No.: EB-2010-0148

Our File No.: 339583-000087

I am writing on behalf of Canadian Manufacturers & Exporters ("CME") to provide its interrogatories in the above-noted matter.

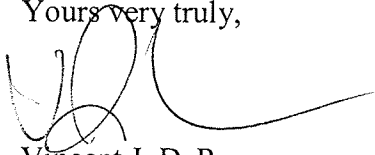
CME wishes to better understand the 2009 updated cumulative tax savings which Union seeks to collect in its 2011 Rates. To this end, please provide answers to the following questions:

- (a) At Exhibit A, Tab 1, page 5 of 15, Union states that the ratepayer portion of the 2009 updated cumulative tax savings related to the taxable capital change has decreased from a credit of \$0.907 million to a debit of \$0.320 million, or a difference of \$1.227 million. Was the credit of \$0.907 million included in Union's 2010 rates as approved by the Board in EB-2009-0275? If not, why not?
- (b) Does Union agree that, if approved, the \$1.227 million associated with the 2009 updated cumulative tax savings constitutes retroactive ratemaking? If not, why not?
- (c) At page 4 of 15, Union states that it did not factor the change in the harmonized calculation of Paid Up Capital for Ontario capital tax purposes in the evidence it filed in its 2009 rate application. To this end, please:
 - (i) Confirm whether the "2009 rate application" refers to Union's 2010 rates application (filed in 2009) or Union's 2009 rates application (filed in 2008);

- (ii) Confirm when the Federal and/or Provincial governments announced that the harmonized calculation of Paid Up Capital for Ontario Capital Tax purposes no longer included a deduction for the difference between NBV and UCC; and
- (iii) Provide an explanation as to why this change was not considered in a previous rate application.

If you have further questions or concerns, please contact me at your convenience.

Yours very truly,



Vincent J. DeRose
VJD/kt

- c. Chris Ripley (Union)
Crawford Smith (Torys)
Paul Clipsham (CME)
EB-2010-0148 Intervenors

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